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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-94950; File No. SR-OCC-2022-004]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of Partial Amendment No. 1 and Order Granting Accelerated Approval of a Proposed Rule Change, as Modified by Partial Amendment No. 1, by The Options Clearing Corporation Concerning Settlement Timing

May 19, 2022

I. INTRODUCTION

On March 22, 2022, the Options Clearing Corporation (“OCC”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change SR-OCC-2022-004 pursuant to Section 19(b) of the Securities Exchange Act of 1934 (“Exchange Act”)¹ and Rule 19b-4² thereunder. The proposed rule change would amend various provisions of OCC’s rules to revise the required settlement time from 9:00 a.m. Central Time (“CT”) to 8:00 a.m. CT.³ The proposed rule change was published for public comment in the *Federal Register* on April 7, 2022.⁴ On May 5, 2022, OCC filed

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Notice of Filing *infra* note 4, 87 FR 20485.

⁴ Securities Exchange Act Release No. 94587 (Apr. 1, 2022), 87 FR 20485 (Apr. 7, 2022) (File No. SR-OCC-2022-004) (“Notice of Filing”).

Partial Amendment No. 1 to the proposed rule change.⁵ The Commission has received two comments regarding the proposed rule change.⁶ The Commission is publishing this notice to solicit comments on Partial Amendment No. 1 from interested persons, and is approving the proposed rule change, as modified by Partial Amendment No. 1, on an accelerated basis.⁷

II. BACKGROUND⁸

OCC collects margin deposits and Clearing Fund deposits from Clearing Members in order to collateralize Clearing Members' obligations, and thus supports OCC's abilities to act as a guarantor in the event a Clearing Member is unable to fulfill its obligations with OCC. OCC's Rules currently describe various times, many of which are set to 9:00 a.m. CT, for Clearing Members to make various daily payments for satisfying their margin and Clearing Fund obligations, following a specified amount of notice that OCC provides to Clearing Members. Such daily payments are required for

⁵ In Partial Amendment No. 1, OCC proposed conforming changes to its Liquidity Risk Management Framework, and appended new Exhibits 4 and 5D to File No. SR-OCC-2022-004 to reflect the proposed changes to the Liquidity Risk Management Framework.

⁶ The Commission received two comment letters that addressed market conduct generally; however, additional discussion is unnecessary because the comment letters do not bear on the purpose or legal basis of the proposed rule change, as modified by Partial Amendment No. 1. The comments on the proposed rule change are available at <https://www.sec.gov/comments/sr-occ-2022-004/srocc2022004.htm>.

⁷ References to the proposed rule change from this point forward refer to the proposed rule change as modified by Partial Amendment No. 1.

⁸ Capitalized terms used but not defined herein have the meanings specified in OCC's Rules and By-Laws, available at <https://www.theocc.com/about/publications/bylaws.jsp>.

Clearing Members to cover margin and Clearing Fund deficits, as well as increases in the Clearing Fund cash requirement (“Settlement Funds”).

As described in more detail below, OCC is proposing to revise its By-Laws and Rules⁹ to make the following three changes to its settlement processes:

- (1) aligning daily payment processes under a uniform start-of-day settlement time to reduce operational complexity;
- (2) reducing the period of time a Clearing Member has to fund obligations arising out of OCC’s routine processes for setting the size of its Clearing Fund to simplify OCC’s financial resources monitoring processes; and
- (3) increasing the period of time a Clearing Member has to fund obligations arising out of a change to OCC’s rules that affects the member’s Clearing Fund requirement, to provide members with more time to consider terminating membership in response to such a rule change.

A. Setting a Uniform Start-of-Day Settlement Time

OCC proposes to harmonize various daily payment processes by setting a uniform start-of-day settlement time (“Settlement Time”), as OCC believes that a uniform start-of-day settlement time would reduce operational complexities.¹⁰ In addition to setting a single Settlement Time, OCC proposes to consolidate various settlement obligations that are due at the same time into a single obligation to further streamline OCC’s processes.

⁹ OCC is also proposing to make conforming changes to its Clearing Fund Methodology Policy and Liquidity Risk Management Framework to reflect the proposed changes to its By-Laws and Rules.

¹⁰ See Notice of Filing, supra note 4, at 20485.

Further, OCC intends to set the Settlement Time one hour earlier than the current start-of-day settlement time that applies to many of OCC's daily payment processes, as OCC believes that the earlier hour would provide OCC with additional time to address a default event and implement protective actions.¹¹ The proposed changes would change the Settlement Time for various daily payment processes (described below) from 9 a.m. Central Time ("CT") to 8:00 a.m. CT. The proposed rule change would also grant OCC discretion to extend funding deadlines when warranted by the circumstances, such as operational or system difficulties that may arise.

1) "Settlement Time" Definitions

Currently, two different definitions in OCC's By-Laws (Article I, Definitions; Article XV, Foreign Currency Options, Definitions) define the term "settlement time" as 9:00 a.m. CT (10:00 a.m. Eastern Time ("ET")). OCC proposes to move the Article I definition to Chapter I, Rule 101 of OCC's Rules because the defined term does not appear elsewhere in the By-Laws, but appears routinely in OCC's Rules. OCC proposes to update both definitions to make the Settlement Time 8:00 a.m. CT (9:00 a.m. ET). OCC further proposes to clarify in the relocated Rule 101 definition that the Settlement Time does not include settlements related to any cross-margin program with a Participating Carrying Clearing Organization ("CCO").¹²

¹¹ Id.

¹² Current OCC Rule 706(b) allows OCC to specify the time for settling obligations related to cross-margin accounts with Participating CCOs. As of March 22, 2022, OCC maintained cross-margin accounts with only one Participating CCO, the Chicago Mercantile Exchange ("CME"). See Notice of Filing, 87 FR 20485, n. 4. OCC's Operations Manual specifies that the settlement time for OCC/CME cross margin debits is 7:30 a.m. CT. See id. OCC did not propose changing the start-

2) Daily Margin Report

OCC's margin-related rules define a specific time by which margin payments must be specified. OCC proposes to replace the time specified in the margin-related rules with a reference to the defined term "Settlement Time," rather than specify settlement times at multiple locations within OCC's rules. Rule 605 currently requires Clearing Members to satisfy margin deficits by 9:00 a.m. CT (10:00 a.m. ET). OCC proposes to update Rule 605 to reference the defined term "Settlement Time," so that Clearing Members must now satisfy margin deficits by 8:00 a.m. CT (9:00 a.m. ET). Additionally, OCC Rule 605 currently states that prior to 9:00 a.m. CT (10:00 a.m. ET), OCC shall make available to each Clearing Member a Daily Margin Report for each account maintained by the Clearing Member. OCC proposes to update the Rule to require that the Daily Margin Report be made available prior to 8:00 a.m. CT (9:00 a.m. ET).

Interpretation and Policy .01 to Rule 605 currently provides that the Daily Margin Report will not include the amount of margin required for variance futures, and requires OCC to advise Clearing Members of margin requirements for variance futures by 9:00 a.m. CT (10:00 a.m. ET). OCC proposes to delete Interpretation and Policy .01 to Rule 605 on the basis that margin requirements for variance futures, as for other products, will be included in the Daily Margin Report.

3) General Clearing Fund Deficits

of-day settlement time for OCC/CME cross-margin debits, which is currently 8:00 a.m. CT under Article VI, Section 25 of OCC's By-Laws.

OCC proposes to set the time for settlement of Clearing Fund-related obligations related to general deficits¹³ by referring to the defined term “Settlement Time,” and to consolidate Clearing Member payment obligations due at the Settlement Time into a single obligation. OCC Rule 1005(a) currently requires that Clearing Members must satisfy general Clearing Fund deficits within one hour of being notified of the deficit. As a practical matter, OCC generally collects these deficits during the morning of each business day, but outside of the start-of-day settlement cycle, resulting in two separate collections, at similar times, from Clearing Members.

OCC proposes to revise its Rules to align the general Clearing Fund deficit collection time with the proposed Settlement Time. The proposed rule change would revise Rule 1005(a) to state that OCC would collect a general deficit arising under Rule 1005(a) at the Settlement Time, provided that OCC notifies the Clearing Member of such deficit at least one hour prior to the Settlement Time on the day the notice was provided. OCC typically provides notice to Clearing Members of general deficits under Rule 1005(a) through OCC’s overnight reporting process, but may also issue notices in response to market conditions or adjustments arising from mergers, consolidations, position transfers, business expansions, membership approval, or other similar events. OCC believes that it would achieve operational efficiency by revising Rule 1005(a) to

¹³ General deficits include deficits resulting from a decrease in the value of a Clearing Member’s contribution or by an adjusted contribution pursuant to Rule 1004. OCC Rule 1004 describes how the required Clearing Fund contribution of a Clearing Member may be adjusted by the Corporation due to mergers, consolidations, position transfers, business expansions, membership approval, or other similar events in connection with the calculations made in respect of a particular calendar month or at any other time.

align the general Clearing Fund deficit collection time to the Settlement Time.¹⁴ OCC intends to continue to provide Clearing Members with one hour to satisfy a deficit if OCC does not provide notice at least one hour before the Settlement Time on a particular day.¹⁵ Additionally, OCC proposes to change Rule 1005(a) to provide OCC with discretion to extend funding deadlines when warranted by the circumstances (e.g., operational or system difficulties).

4) Clearing Fund Replenishments and Assessments

OCC also proposes to set the time for settlement of Clearing Fund-related obligations related to replenishments and assessments by referring to the defined term “Settlement Time.” Rule 1006(h) currently requires that Clearing Members cover any charges to the Clearing Fund, whether in the form of replenishments or assessments, by 9:00 a.m. CT (10:00 a.m. ET) on the following business day. OCC proposes to amend Rule 1006(h) to align the replenishments and assessments collection time with the proposed Settlement Time. OCC believes that using the revised “Settlement Time” definition, rather than stating a specific time in Rule 1006(h), would help to achieve consistency and reduce operational complexity.¹⁶ OCC also believes that a move to the earlier time of 8:00 a.m. CT would provide OCC with more time to address a default event and implement necessary protective actions, including securing funds from its liquidity providers.¹⁷ OCC also proposes to make corresponding changes to Rule

¹⁴ See Notice of Filing, supra note 4, at 20486.

¹⁵ Id.

¹⁶ Id.

¹⁷ Id.

1006(h)(B), which reiterates that each Clearing Member shall have, and shall at all times maintain, the ability to make good any deficiency described in Rule 1006(h) during a cooling-off period. OCC also proposes to amend Rule 1006(h)(A) and Rule 1006(h)(B) to allow OCC to specify a later time for which Clearing Members must make good on any charges to the Clearing Fund.

5) Clearing Fund Deficits Due to Rule Amendments

Additionally, OCC proposes to set the time for settlement of Clearing Fund-related obligations related to changes to OCC's rules by referring to the defined term "Settlement Time." Under current Rule 1002(e), if a Clearing Member's Clearing Fund contribution increases due to an amendment of OCC's Rules, the increase shall not become effective until the Clearing Member is given at least two business days prior written notice of the amendment. Clearing Members that do not notify OCC that they intend to terminate their clearing membership must satisfy the increased contribution by 9:00 a.m. CT (10:00 a.m. ET) on the second business day following notification of the amendment.

OCC proposes to revise Rule 1002(e) to align with the proposed Settlement Time, so that Clearing Members must satisfy the increased contribution by the earlier time of 8:00 a.m. CT (9:00 a.m. ET). As with the other proposed Settlement Time alignments, this change is intended to reduce operational complexity by creating a more uniform settlement time for Clearing Fund deficits, including those described in Rule 1002(e).¹⁸

¹⁸ See Notice of Filing, supra note 4, at 20487.

6) Temporary Increase in Clearing Fund Cash Requirement

Finally, OCC proposes to set the time for settlement of Clearing Fund-related obligations related to increases in the Clearing Fund Cash Requirement by reference to the defined term “Settlement Time.” Under current Interpretation and Policy .03 to Rule 1002, Clearing Members must satisfy any Clearing Fund Cash Requirement-related increase in their required cash contributions no later than the second business day following notification of the increase. OCC proposes to revise Rule 1002 Interpretation and Policy .03 to require that Clearing Members satisfy a required cash contribution increase by the first Settlement Time following notification of the increase. OCC believes that this proposed change would reduce operational complexity by creating a more uniform settlement time that aligns with the current collection period for other obligations to OCC.¹⁹

B. Shortening Collection Period Following Clearing Fund Resizing

In addition to harmonizing the time by which settlement occurs on a given day, OCC proposes to shorten the number of days a Clearing Member has to meet certain routine funding obligations related to the Clearing Fund. Currently, OCC allows members two business days to meet routine funding obligations. As described below, OCC is proposing changes designed to require funding by the next Settlement Time, effectively requiring funding by the business day following notice of an obligation. OCC stated that shortening the collection period would reduce operational complexity related to the monitoring of OCC’s prefunded credit and liquidity resources by providing

¹⁹ Id.

transparency and certainty to OCC around OCC's available liquidity resources during the resizing process.²⁰

1) Deficits From Monthly and Intra-Month Clearing Fund Resizing

OCC Rule 1005(b) currently requires that for any deficits resulting from a monthly or intra-month Clearing Fund resizing, Clearing Members must satisfy them by 9:00 a.m. CT (10:00 a.m. ET) on the second business day following notification of the resizing. According to OCC, the two-day collection period was intended to provide Clearing Members with sufficient notice of any changes to their Clearing Fund contribution requirements. However, OCC notes that this two-day collection period complicates the monitoring of OCC's prefunded credit and liquidity resources.²¹

The proposed rule change would amend Rule 1005(b) to require that deficits resulting from the standard monthly Clearing Fund resizing must be satisfied by the Settlement Time on the first business day of each month. OCC believes that the proposed change would reduce the time to collect Clearing Fund deficits required to meet the new Clearing Fund size, and would reduce operational complexity of the monitoring of OCC's prefunded credit and liquidity resources by providing certainty to OCC on the available liquidity resources during the resizing process.²² The proposed rule change would also shorten the collection period for intra-month resizing to the next Settlement Time following notification of the re-sizing, which would align it with the monthly resizing period and other Clearing Fund deficit collection times. OCC also proposes to

²⁰ See Notice of Filing, supra note 4, at 20486.

²¹ Id.

²² Id.

modify Rule 1005(b) so that OCC has the discretion to extend funding deadlines when warranted by the circumstances (e.g., operational or system difficulties).

2) Adjustment to Clearing Fund Contributions

Rule 1004 provides that any deficiency arising from an adjustment due to a Clearing Member merger, consolidation, position transfer, business expansion, membership approval or other similar event shall be satisfied in accordance with Rule 1005(a). Rule 1004 currently provides an exception that allows a Clearing Member to satisfy an obligation, typically due on the first business day of a calendar month, on the second business day if the deficit coincides with a regular monthly sizing collection. The proposed rule change would remove this exception because under the proposed revision of Rule 1005, regular monthly sizing deficits would no longer be collected two business days after notification.

C. Increasing Notification Period For Clearing Fund Deficits Due to Rule Amendments

In contrast to the reduction of time for funding routine obligations, OCC proposes increasing the number of days a Clearing Member has to meet Clearing Fund obligations related to changes in OCC's rules. Currently, OCC allows members two business days to meet funding obligations arising out of rule changes. As described below, OCC is proposing to give Clearing Members five business days notice of such obligations to allow Clearing Members additional time to determine whether to terminate clearing membership as a result of any such rule change.²³

²³ See Notice of Filing, supra note 4, at 20487.

As previously noted, under current Rule 1002(e), if a Clearing Member's Clearing Fund contribution increases due to an amendment of OCC's Rules, the increase shall not become effective until the Clearing Member is given at least two business days prior written notice of the amendment. This notification period provides Clearing Members with the time to notify OCC in writing that it wishes to terminate its clearing membership if desired, and close out or transfer its open positions before the effective date of the amendment. Clearing Members that do not notify OCC of such termination must satisfy the increased contribution by 9:00 a.m. CT (10:00 a.m. ET) on the second business day following notification of the amendment.

The proposed rule change would increase the notification period from two business days to five business days, to provide Clearing Members with additional time to determine whether or not to terminate their clearing memberships and close out or transfer all open positions before the effective date of the amendment.²⁴

D. Conforming Changes to Policies

The proposed rule change would also make conforming changes to the Clearing Fund Methodology Policy and Liquidity Risk Management Framework. These changes would amend the Clearing Fund Methodology Policy to reflect the revised timing for satisfying Clearing Fund Cash Requirement-related increases, and eliminating the policy language describing the exception set forth in Rule 1004 as described above. These

²⁴ According to OCC, the purpose of this update to Rule 1002(e) would be to better reflect OCC's current practice, where Clearing Members are generally afforded more than five business days' notice of any change in Clearing Fund requirements that result from an amendment of OCC's Rules. Id. As this change codifies an existing practice, OCC does not believe it will modify Clearing Member behavior or otherwise have an adverse impact on OCC. Id.

changes are intended to conform the Clearing Fund Methodology Policy with the proposed changes to OCC's Rules and support the reduced operational complexity that OCC expects to achieve by creating a more uniform settlement time.²⁵ The proposed changes to the Liquidity Risk Management Framework would note that Clearing Members will have until no later than the first start-of-day settlement time following the day on which notice is provided by OCC, or an alternative time established by an OCC officer to meet their minimum Clearing Fund cash contribution.

III. DISCUSSION AND COMMISSION FINDINGS

Section 19(b)(2)(C) of the Exchange Act directs the Commission to approve a proposed rule change of a self-regulatory organization if it finds that such proposed rule change is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to such organization.²⁶ After carefully considering the proposed rule change, the Commission finds that the proposal is consistent with the requirements of the Exchange Act and the rules and regulations thereunder applicable to OCC. More specifically, the Commission finds that the proposal, is consistent with Section 17A(b)(3)(F) of the Exchange Act²⁷ and Rule 17Ad-22(e)(8) under the Exchange Act²⁸ as described in detail below.

²⁵ Id.

²⁶ 15 U.S.C. 78s(b)(2)(C).

²⁷ 15 U.S.C. 78q-1(b)(3)(F).

²⁸ 17 CFR 240.17Ad-22(e)(8).

A. Consistency with Section 17A(b)(3)(F) of the Exchange Act

Section 17A(b)(3)(F) of the Exchange Act requires, among other things, that a clearing agency's rules are designed to promote the prompt and accurate clearance and settlement of securities transactions and, to the extent applicable, derivative agreements, contracts, and transactions; and the rules are designed, in general, to protect investors and the public interest.²⁹ Based on its review of the record, and for the reasons described below, the Commission believes that the proposed changes are consistent with facilitating the prompt and accurate clearance and settlement of securities transactions and derivative agreements, contracts, and transactions for which OCC is responsible, and protecting investors and the public interest.

The Commission believes that OCC, in amending its By-Laws and Rules to set a uniform time for satisfying start-of-day settlement at 8:00 a.m. CT (9:00 a.m. ET) and applying the updated Settlement Time to the Daily Margin Report (Rule 605), general Clearing fund deficits (Rule 1005(a)), Clearing Fund replenishments and assessments (Rule 1006(h)), Rule amendment-related Clearing Fund deficits (Rule 1002(e)), and temporary increases in the Clearing Fund Cash Requirement (Rule 1002.03) will remove any potential confusion or ambiguity for Clearing Members that could result from having different start-of-day settlement times depending on the nature of the Settlement Fund collection type. The alignment to a single Settlement Time would therefore facilitate the prompt and accurate clearance and settlement of transactions for which OCC is responsible.

²⁹ 15 U.S.C. 78q-1(b)(3)(F).

Further, the Commission believes that OCC, in amending Rule 1005(b) to shorten the collection period for deficits due to Clearing Fund monthly and intra-month resizings, will ensure that such Clearing Fund deficits are covered earlier than before. This would in turn reduce any existing liquidity risk and provide greater certainty regarding OCC's liquidity resources, thereby supporting OCC's ability to meet its obligations. Strengthening OCC's ability to meet its payment obligations would, in turn, promote its ability to ensure prompt settlement of securities transactions for which OCC is responsible.

OCC also proposed changes to Rule 1002(e) to increase the notification period for Clearing Member deficits due to Rule amendments from two business days to five business days. The Commission believes that this proposed change would benefit Clearing Members by giving them additional time to consider canceling their clearing membership with OCC in the event of a Clearing Fund contribution increase created by amendments to OCC's Rules. Clearing Members could use the additional time to consider their ability to cover such increases with greater deliberation, which could allow members to unwind positions in an orderly fashion rather than defaulting on obligations to OCC. The promotion of an orderly unwinding of positions, as opposed to a potentially more disruptive Clearing Member default scenario, would in turn promote the protection of investors and the public interest.

OCC also proposed conforming changes to its Clearing Fund Methodology Policy and its Liquidity Resource Management Framework to ensure consistency of the policy and framework with the changes described above. The Commission believes, therefore,

that the conforming changes are consistent with the requirements of Section 17A(b)(3)(F) for the reasons described above.

The Commission believes, therefore, that the proposal is consistent with the requirements of Section 17A(b)(3)(F) of the Exchange Act.³⁰

B. Consistency with Rule 17Ad-22(e)(8) under the Exchange Act

Rule 17Ad-22(e)(8) under the Exchange Act requires that a covered clearing agency establish, implement, maintain, and enforce written policies and procedures reasonably designed to define the point at which settlement is final no later than the end of the day on which the payment or obligation is due and, where necessary or appropriate, intraday or in real time.³¹ Based on its review of the record, the Commission believes that the proposed rule change is consistent with this requirement.

OCC's proposal to modify its rules to change the definitions of "settlement time" from 9:00 a.m. CT to 8:00 a.m. CT would move the start-of-day settlement time up by one hour, but would provide no less clear a time by which settlement is due than OCC's current rules. As proposed, settlement finality for cleared transactions would continue to occur when a settlement bank either accepts or confirms the settlement instruction. Similarly, OCC's proposed changes to reduce or increase the the number of days a Clearing Member has to meet certain Clearing Fund obligations would provide no less certainty regarding the time by which settlement must occur than is provided by OCC's current rules.

³⁰ 15 U.S.C. 78q-1(b)(3)(F).

³¹ 17 CFR 240.17Ad-22(e)(8).

The Commission believes, therefore, that the proposal is consistent with the requirements of Rule 17Ad-22(e)(8) under the Exchange Act.³²

IV. SOLICITATION OF COMMENTS ON PARTIAL AMENDMENT NO. 1 TO THE PROPOSED RULE CHANGE

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as modified by Partial Amendment No. 1, is consistent with the Exchange Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-OCC-2022-004 on the subject line.

Paper comments:

- Send paper comments in triplicate to: Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-OCC-2022-004. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed

³² 17 CFR 240.17Ad-22(e)(8).

with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing also will be available for inspection and copying at the principal office of the Exchange. All comments received will be posted without change. Persons submitting comments are cautioned that we do not redact or edit personal identifying information from comment submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-OCC-2022-004 and should be submitted on or before **[INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

V. ACCELERATED APPROVAL OF PROPOSED RULE CHANGE, AS MODIFIED BY PARTIAL AMENDMENT NO. 1

The Commission finds good cause, pursuant to Section 19(b)(2) of the Exchange Act,³³ to approve the proposed rule change prior to the 30th day after the date of publication of notice of the filing of Partial Amendment No. 1 in the *Federal Register*. As discussed above, Partial Amendment No. 1 modified the original proposed rule change by making conforming changes to OCC's Liquidity Risk Management Framework consistent with the initial filing. Partial Amendment No. 1 does not change the purpose of or basis for the proposed changes.

³³ 15 U.S.C. 78s(b)(2).

For similar reasons as discussed above, the Commission finds that Partial Amendment No. 1 is consistent with the requirement that OCC's rules be designed to promote the prompt and accurate clearance and settlement of securities transactions under Section 17A(b)(3)(F) of the Exchange Act.³⁴ Accordingly, the Commission finds good cause, pursuant to Section 19(b)(2) of the Exchange Act, to approve the proposed rule change, as modified by Partial Amendment No. 1, on an accelerated basis, pursuant to Section 19(b)(2) of the Exchange Act.³⁵

VI. CONCLUSION

On the basis of the foregoing, the Commission finds that the proposed rule change, as modified by Partial Amendment No. 1, is consistent with the requirements of the Exchange Act, and in particular, the requirements of Section 17A of the Exchange Act³⁶ and the rules and regulations thereunder.

IT IS THEREFORE ORDERED, pursuant to Section 19(b)(2) of the Exchange Act,³⁷ that the proposed rule change (SR-OCC-2022-004), as modified by Partial Amendment No. 1, be, and hereby is, approved on an accelerated basis.

³⁴ 15 U.S.C. 78q-1(b)(3)(F).

³⁵ 15 U.S.C. 78s(b)(2).

³⁶ In approving this proposed rule change, the Commission has considered the proposed rules' impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

³⁷ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.³⁸

J. Matthew DeLesDernier,

Assistant Secretary.

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³⁸ 17 CFR 200.30-3(a)(12).